

**EXHIBIT 399 TO
CISNEROS DECLARATION
REDACTED VERSION**



FY11 Preliminary Pay lines development update

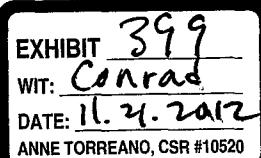
CPD Analyst staff meeting

Presented by: Cecile Pierrot, Doris Fischbeck

Date: May 5th , 2010

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Decision making

aging factor, preliminary pay lines and
preliminary Geni ranges



- Tier 1 countries
 - BPO = "D" and the Regional Manager = "A"
- Tier 2 / 3 countries
 - Regional Manager = "D" and the BPO = "A"
- What does this mean in practical terms?
 - Work ALL your proposals with your manager
 - Once your proposal is ready to be reviewed or at a stage where you look for input / feedback:
 - please post the file on MOSS
 - send a mail to your manager and BPO
- Meetings set for end of next week for tier 1 country approval
- Tier 2/3 countries: review meeting with Lisa and Chris on May 18th/19th

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RAPID



TIER 1 country				
R	A	P	I	D
CPD Analyst		CPD Analyst	C&B consulting	CPD Regional Manager
CPD Analyst		CPD Analyst	C&B consulting	CPD Regional Manager
CPD Analyst			C&B consulting, CPD Analyst	C&B consulting
Country consulting			Country C&B consulting, BG consulting, biz, CPD	Regional GM or MCM
CPD Analyst	CPD Regional Manager	CPD Analyst	C&B consulting	CPD BPO
CPD Analyst	CPD Regional Manager, HR legal*	CPD Analyst	Country C&B consulting, biz	CPD BPO
CPD Analyst	HR legal*	CPD Analyst	Country C&B consulting, BGHR, BG consulting, biz	Regional C&B Consulting Manager

* For countries with works council HR legal = A for Gen1 range cuts

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RAPID



TIER 2 and 3 countries				
R	A	P	I	D
CPD Analyst		CPD Analyst	C&B consulting	CPD Regional Manager
CPD Analyst		CPD Analyst	C&B consulting	CPD Regional Manager
CPD Analyst			C&B consulting, CPD Analyst	C&B consulting
Country consulting		CPD Analyst	Country C&B consulting, BG consulting, biz, CPD	Regional GM or MCM
CPD Analyst	CPD BPO	CPD Analyst	C&B consulting	CPD Regional Manager
CPD Analyst	CPD BPO, HR legal*	CPD Analyst	Country C&B consulting, biz	CPD Regional Manager
CPD Analyst	HR legal*	CPD Analyst	Country C&B consulting, BGHR, BG consulting, biz	Regional C&B Consulting Manager

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Timelines	
High Level Task	Timeline
Pricing complete in Reward for all countries and QC'd	End March
Determine 2009 and 2010 aging factor (in Reward approved and QC'd)	by April 12
Central Reward audit to ensure all surveys have an aging factor	13-Apr
Develop 2011 Preliminary Pay line	Apr 5- May 7
2011 Preliminary Pay lines approved by CPD Regional Manager and Doris	Apr 6 - May 14
Enter 2011 Preliminary Pay lines in Reward and QC	by May 21
Develop Preliminary 2011 Geni ranges	by May 31st
2011 preliminary GENI ranges recommendations approved	by June 4
Post files for consulting	by June 11
Review 2011 GENI ranges recommendations with Country Consulting	Mid June-Aug 2
Collect Consulting feedback on country pay strategy for 2011 Final paylines development	Mid June-Aug 2
Develop 2011 Final Pay line (incl. Survey analysis)	Aug 2-Sept 30
Pay lines approved by CPD Regional Manager and Doris	Sept 17-Oct 5
2011 Final Pay lines in Reward and QC'd	by Oct 8th
Build your own work plan to meet the deadlines	

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Timelines

- Prioritize tier 1 countries AND countries which have been identified for a MY assessment
- Countries identified for MY assessment:
[REDACTED]
- If you have challenges meeting the timelines, raise to your manager and flag to BPO including a proposal
-> knock on effect on Danny's & Tanya's ability to run POM reports and MY assessment process

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Pay line assignment changes

- A change in pay line assignment should be supported by multiyear trends
 - Market rates for certain job(s) trending / is above or below the pay line tolerance level
 - Collapsing pay lines
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- **Exception:**
 - If it was decided to distinguish pay lines due to job assignments: to carve out jobs even if they are paid similarly
- In case you are proposing considerable changes to pay line assignments:
 - save two versions of the preliminary pay line development tool (current and proposal)
 - flag those countries to your manager and BPO as soon as possible

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Considerations for proposing updated pay line assignments

- Jobs within the tolerance level should be assigned to the respective pay line unless the pay strategies advises otherwise
- How to treat outliers:
If a job is outside the tolerance level, please verify whether this
 - Follows a trend over the time and should therefore be proposed for a different pay line assignment (i.e. there is a trend over the last years that a job tended to be consistently at the lower or the higher end of the tolerance level or even slightly above or below?)
 - due to being a first year outlier (in this case this job should be earmarked for the following year for review)
- **A change in pay line assignment should be supported by multiyear trends**

Frequency of pay line assignment changes

- Pay line assignments should not be changed every year as this has an impact on the POM of those jobs. Year on year fluctuation of POM undermines the credibility of our POM data.
- If pay strategies have been changed for some jobs / functions those need to be reflected in the pay line design.
- First year outliers (to the tolerance level) should not be reflected immediately and be monitored until the next year, unless there has been a consistent trend over years for this job to be at the upper or lower end of the tolerance level

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Pay line assignment changes impact on calculation

- **Reassignment due to internal equity:**
 - this means we recognize the level this job is being paid in the market, however internally we would like to treat this job equally to jobs assigned to a different pay line->
 - The market data point remains in the market rate calculation of the current pay line. the job gets assigned to a different pay line
 - Please note that you need to keep track of those type of reassessments, in order to ensure that the data point of this job does not get included into the calculation of the pay line midpoint the job is assigned too
- **Example 1**
 - A job which falls under the low pay line according to market data should be assigned to the main pay line for internal equity considerations.
 - As this "low" market data point should not influence the market reference rate of the main pay line, this job will be assigned to the main pay line however its market rate will not be used to calculate the market reference rate for the main pay line
- **Example 2**
 - For a tier 3 country all sales jobs should be assigned to the same pay line for internal equity reasons. In this case all jobs get assigned to the one pay line and all market rates will be used for calculating the pay line midpoint except for data outliers.

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Pay line assignment changes impact on calculation

- Job holds a premium:

- the market data point stays within the pay line midpoint calculation, as we recognize that this is the market reference rate for this job
- However we target a more aggressive pay goal: job gets assigned to a premium pay line.
- Premium pay line creation: the pay line midpoint of the pay line the premium job falls under according to market data will be multiplied with the POM goal reflecting the premium pay goal. The premium job gets assigned to this pay line

- Job data is an outlier to the pay line

- market data for a job are on average above or below the tolerance level following a multiyear trend -> this job is being paid similarly to jobs on a different pay line
- Remove this job from the pay line and recalculate the current pay line midpoint without this market data point. Add the market data point to the pay line midpoint calculation for the new pay line

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Pay line movement preliminary FY11 versus FY10

- This movement should on average reflect the market movement of the respective market
 - this can vary by function, grade grouping or grade levels
- Due to the economic crisis and turbulences in the market data (2009 market data and potentially for 2010 market data) we may see year on year market rate movement which cannot be related to either:
 - market movement based on our survey analysis or
 - Aging factors based on Total market budgets
- Impact on preliminary FY11 pay lines:
 - unless we have a solid rationale for the deviating movement....
 - we should as a default move the preliminary FY11 pay lines by the average country / function market movement
 - Flag this to consulting and
 - Revisit once we obtain updated market data for developing Final FY11 pay lines

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Final FY11 pay lines - expectation setting

- Mature and stable countries
 - assuming no major changes to pay strategies or unpredicted market changes
 - Expect Final pay line development to be a light process
 - Potentially course correcting the aging factor and 2010 / 2011 projections
 - Apply (potential) course corrected aging factor to preliminary pay lines and preliminary Geni ranges to develop final pay ranges
 - No major re-work of pay lines or Geni ranges
- Emerging / maturing countries
 - expect course correcting aging factors and 2010 / 2011 projections
 - Apply course corrected aging factors to preliminary pay lines to develop final pay ranges
 - In case there are changes to pay strategies and /or pay line assignments market rates will have to be updated
- Impact on individual workload
 - Your manager will work with you in case there is unequal distribution of "light process" countries versus re-working pay ranges

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Reminder on resources

- Reference document for Pay range development steps:
 - CAR Home > Focal > 2011 Focal > CAR Working Files > FY11 Preliminary Pay lines development
- Pay line guidelines 2010:
 - CAR Home > Focal > 2011 Focal > CAR Working Files > FY11 Preliminary Pay lines development
- Weekly OPTIONAL open forums are in your calendars:
 - Forum to ask questions, share BKM's about Preliminary Pay ranges guidelines, tools or templates

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Back up

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Pay line smoothing

- Pay line midpoints represent an approximation of market base pay however we smooth them to provide logical and year on year stability

Progression:

- In order to get familiar with the country specific progression type please refer to the survey analysis template and use the raw market data progression of the surveys used for pricing for the country as a guidance.

Take into consideration:

- The weighting applied to the different surveys for market pricing – has this been applied consistently across all functions and grades, has this been changed considerably from last year to this year? This could be an explanation if the market rate pay line progression this year varies from the market rate progression last year
- Progression can vary from pay line to pay line within the grade grouping



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2009 Market data analysis (1)

- Analysis needed to build your pay lines:
 - Market data spread (representing range between P10 and P90)
 - Market Grade progression
 - Geo differential (where applicable)
- Look at the market data by job function and /or grade grouping (depending on what is the most appropriate for your country)
 - Spread for EB grades, 30s, 50s, 60s, Sales
 - Or spread of functions within the EB grades
 - Analyze any similarities / differences between your main surveys to assess market data spread and progression
- FY11 Market rate Pay line in Reward:
 - Once your market rate PL is created, record the market data spread

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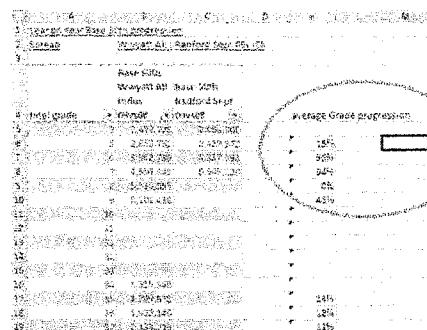
2009 Market data analysis (2)

Resources: Use your survey analysis tool

- Look at the spread by grade in your main source survey analysis
- Look at the average grade progression (survey overview tab)

Job function	(All)
Roll-up	Roll-up
Companies	(Multiple items)

Values		
Row Labels	Base 50th	Spread
3	498,111	91.9%
6	556,803	71.4%
7	1,344,264	87.3%
82	1,272,295	78.3%
83	1,610,355	94.8%
84	2,221,053	95.2%
85	8,160,014	54.5%
MGS	2,003,053	82.8%
MGT	1,386,510	104.5%
Grand Total	1,162,259	85.7%



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2009 Market data analysis (3)

- Determine the Spread for FY11 Preliminary pay lines:
 - Compare 2009 market data to FY10 Pay lines spread; compare it to the spread model from 2008 (see back up slide)
 - Adjust FY10 range spread if data/trend supports a change
 - Keep in mind the impact of changing the range spread:
 - Increase / decrease in Min -> potential bring to Min SMA
 - Increase / decrease the Max
 - Employee Pay range distribution change -> i.e. employees in Q4 could be brought to Q3 -> driving more merit budget
- Determine Grade progression for FY11 Preliminary pay lines (see the Pay line guidelines 2010):
 - Compare 2009 market data to the grade progression in the FY11 Preliminary pay line
_{PC1}
 - *Assess if market data justifies any updates to the grade progression in the pay line*
 - Avoid any drastic changes from one year to another if there is no solid

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Id	Date	Text
PC1	04/14/2010 15:47:51	Not sure if we should remove this, since there are already enough explanations in the PI guidelines thoughts?

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Next steps

- Get the approval and QC for remaining aging factors
- Reward audit:
 - All jobs are linked to a pay line (structure in FY10 Final PL)
 - All jobs have a grade code
- Create the FY11 Market rate pay lines in Reward
- Complete Market data analysis: range spread, grade progression
- Develop the FY11 Preliminary pay lines: by May 7th

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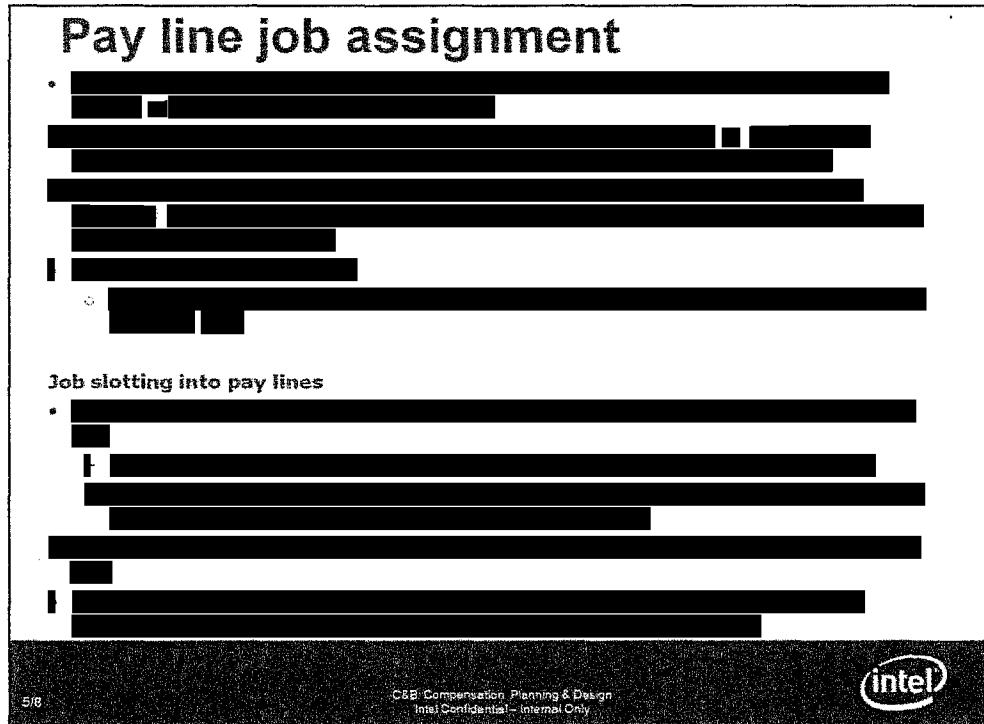
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Example

GER tier 3 countries: sales pay strategy:

A series of six horizontal black bars of varying lengths, decreasing from left to right. The bars are positioned in a grid-like structure with a thin white border between them.

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